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NSC DRAFT

9 February 1955

SHIFTS IN LEADERSHIP AND POLICIES IN MOSCOW

- I. One basic element in Moscow Crisis is traditional Kremlin "infighting" for power.
 - A. Malenkov on skids, but appointment as Minister of Electric Power Stations shows this is Stalinism of late 1920's rather than blood purges of 1930's.
 - B. Malenkov's close followers will be demoted or removed from power altogether — but quietly and without public purge trials, which would alarm bureaucracy and weaken regime.
 - C. Khrushchev is top-leader, but probably calculates on playing cagey Stalinist game of 1920's, seizing reins of power quietly through control of Party's Central Committee Secretariat rather than trying to combine this key job with formal role of Premier, as Malenkov tried in 1953.
 - D. Khrushchev still obliged to be cautious since he brought Malenkov down by acting as leader for "old Bolsheviks" group consisting of Khrushchev, Kaganovich, Moletov, and Bulganin.
 - E. Close personal and career ties dating back to 1930's between these "Old Bolsheviks" and they clearly resented Malenkov's power in view of fact (stressed in his forced resignation speech) that he had always worked in central apparatus and not in "local"—i.e., grass roots—party circles.

- F. Khrushchev will have to play ball with this group unless or until he is in absolute control of instruments of power. Unless or until this occurs, facade of "collective" leadership will continue.
- G. Appointment Bulganin as Premier and Zhukov Minister of Defense shows Khrushchev still not absolute ruler a la Stalin. Zhukov, especially, far too popular to be thoroughly trusted by politicians and his appointment shows regime as whole feels it needs prestige given by armed forces support.

II. Struggle for power centered in policy dispute over emphasis on heavy industry—and implicitly increased level of production of armaments—at the expense of "new course" consumer-benefits economic policy identified with Malenkov.

- A. Consumer-goods program not fulfilling expectations, despite limited successes in raising standard of living and great popularity of program.
- B. Some retrenchment probably inevitable—especially in view of recent tensions in international affairs—and "Old Bolsheviks" used the domestic issue to cook Malenkov's goose.
- C. Major real economic policy change is 12% rise budgeted defense expenditures contracted two year levelling off at 1952 peak. Much of this increase probably inevitable due to increasing costliness of modern weapons systems, especially if pre-series production of guided missiles is included, as it may well be.

- D. No sudden major shift farther away from "new course" consumer-benefits program likely, as this would make Malenkov popular here and Khrushchev universally hated.

III. Power-struggle and domestic economic controversy heightened in intensity by foreign-policy problems

- A. Khrushchev as well as to a lesser extent Molotov and Bulganin, generally has taken a more belligerent and uncompromising tone toward West—particularly the US—~~although~~ than Malenkov, although not altering main elements of foreign policy positions taken.
- B. Khrushchev and Molotov given to vituperative attacks on individual Western leaders, as in 8 Feb Molotov's calling Secretary Dulles and others "war criminals".
- C. Khrushchev's 5 Feb statement, however, suggested tone of senior statesman addressing world audience with restraint and moderation—possibly sobering influence of power.
- D. Main aims of foreign policy probably will remain to isolate US politically and weaken Western alliance.
- E. Tone probably harder and shriller, recurring part-way to Stalinist manner of talking tough to conceal uncertainty and some dismay—probably now felt concerning German rearmament and tension over Formosa.

- F. Prestige position in relation Mao Tse-tung will be difficult maintain in view of leadership shifts and every effort will be made in Moscow to smooth things over quietly from here on.
- G. Support for China still moral and political--aimed at victories in negotiations rather than "liberation" wars. On other hand Chinese Communists probably now have slightly more independence of action in view show of weakness and policy reversals in Moscow.

NSC BRIEFING

9 February 1955

PERTINENT QUOTATIONS

- I.B. [] expect "a purge of Malenkov supporters but a quiet and gradual one. No publicity—no open arrests."
- I.E. Thus you have Malenkov's curious admission of "insufficient experience in local work" and no background in "guiding individual branches of the national economy in an economic ministry." This, despite his decoration (Hero of Socialist Labor) for pushing Soviet aircraft production to 40,000 planes a year by 1943.
- I.F. In 1925 Stalin, having maneuvered a clear decision over two contenders publicly announced that "it would be impossible to lead the Party ^{except} collectively—it would be stupid to dream or speak of it.
- II.A. Thus Malenkov made point of admitting that "only further development of heavy industry will permit production of essential consumer commodities.
- III. Thus in the speech to the Supreme Soviet on the budget—which increased the defense allocation—the Soviet leaders point out ~~xxx~~ that "no changes in the international situation which give us reason to relax attention to questions of strengthening our defensive potential.
- III.A. MOLOTOV - 8 Feb 55.

The foreign policy of the United States "can mean nothing else but preparation of another world war, a war for the restoration of imperialism's world domination. Socialism cannot win in one or another country other than by hurling back and overcoming the resistance of imperialism and its agency." "The United States pursues a policy of war directed against the USSR, China and the other Orbit countries." "The appetites

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of aggressive imperialist circles and their sinister reactionary dreams are not confined to the people's democracies alone. They would also like to return our country to capitalism."

III.A.1. KHRUSHCHEV

Khrushchev in four speeches in spring of 1954 involved the destruction of Hitler as a warning to the West.

III.A. Four times in his 15 June 54 Prague speech Khrushchev referred to the West as the "enemy" No precedent for this in other leaders' speeches since Stalin.

III.A. "We know the bourgeois politicians are chattering idly. They think they can intimidate us! But nothing can frighten us, because if they know what a bomb means, so do we." (Prague 15 June 54)

III. A.1. BULGANIN

Speech in Warsaw July 1954—evoked image of a possible U.S. atomic attack: "Until the US renounces the use of atomic and hydrogen weapons, the Soviet Union is forced to possess these weapons so as not to be left without weapons in case of a surprise." Term "surprise" used by Stalin to describe Nazi attack on USSR. Term has apparently never been used in recent years in statements on the danger of Western aggression.

III.B. MOLOTOV 8 Feb 55. "Also engaging lately in propaganda of atomic warfare have been both Spack and Dulles, and also American generals Radford, Grunther and Stevenson." "In some of the present preachers of atomic warfare the peoples will even now see candidates for the main war criminals' dock".

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III.B. KHRUSHCHEV QUOTATIONS

In 26 April 54 address to Supreme Soviet, Khrushchev singled out Secretary Dulles for attack: "What is approved by millions of people causes irritation and malicious attacks by some leaders in very important posts in the US and other countries. If I am referring primarily to the Sec. of State, Mr. Dulles.... Is it fitting for a statesman to announce the foreign policy of a State when he is drunk with fury and hatred of other nations?"

III.C. KHRUSHCHEV

1. Khrushchev told Hearst 5 Feb there were "no points of issue with America which cannot be solved".
2. "I am convinced that we shall find the strength and common sense to achieve an improvement in our relations."
3. Khrushchev told Hearst USSR wants to see the global struggle between communism and capitalism confined to long range, competitive coexistence."
4. "For hotheads, war is a solution. That is a silly kind of solution."
5. "We believe, as Lenin said, the solution lies in coexistence. In other words, we can live together without fighting."

III.D. MOLOTOV 8 Feb 55.

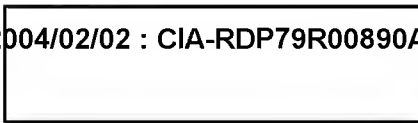
"Soviet foreign policy cannot fail to take into account the existence of considerable contradictions between separate capitalist countries, as well as the existence of contradictions within these countries and within separate parties, which belong to the capitalist classes and groups. Our task is to make use of these contradictions...in the interests of weakening the aggressive antidemocratic forces".

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III.F. NESTOV 8 Feb 55.

"The most important result of the second world war was the formation, parallel with the world capitalist camp, of a world camp of socialism and democracy headed by the USSR, or more correctly said, headed by the Soviet Union and the Chinese People's Republic."



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